

HOUSE GOVERNMENT, ELECTIONS AND INDIAN AFFAIRS  
COMMITTEE SUBSTITUTE FOR  
HOUSE BILL 47

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

AN ACT

RELATING TO PROPERTY TAX; AMENDING CERTAIN PROPERTY TAX  
EXEMPTIONS FOR VETERANS TO REFLECT CHANGES MADE TO THE  
EXEMPTIONS PURSUANT TO CONSTITUTIONAL AMENDMENTS APPROVED BY  
VOTERS AT THE NOVEMBER 5, 2024 GENERAL ELECTION; DECLARING AN  
EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 7-37-5 NMSA 1978 (being Laws 1973,  
Chapter 258, Section 38, as amended) is amended to read:

"7-37-5. VETERAN EXEMPTION.--

A. [~~Up to four thousand dollars (\$4,000)] An amount  
as provided in Subsection B of this section of the taxable  
value of property, including the community or joint property of  
~~[husband and wife]~~ married individuals, subject to the tax is  
exempt from the imposition of the tax if the property is owned~~

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underscored material = new  
[bracketed material] = delete

1 by a veteran or the veteran's unmarried surviving spouse if the  
2 veteran or surviving spouse is a New Mexico resident or if the  
3 property is held in a grantor trust established under Sections  
4 671 through 677 of the Internal Revenue Code of 1986, as those  
5 sections may be amended or renumbered, by a veteran or the  
6 veteran's unmarried surviving spouse if the veteran or  
7 surviving spouse is a New Mexico resident. The exemption shall  
8 be deducted from the taxable value of the property to determine  
9 the net taxable value of the property.

10 B. The exemption allowed shall be in the following  
11 amounts for the specified tax years:

12 ~~[(1) for tax year 2004, the exemption shall be~~  
13 ~~three thousand dollars (\$3,000);~~

14 ~~(2) for tax year 2005, the exemption shall be~~  
15 ~~three thousand five hundred dollars (\$3,500); and~~

16 ~~(3) for tax year 2006 and each subsequent tax~~  
17 ~~year, the exemption shall be four thousand dollars (\$4,000)]~~

18 (1) for tax years 2006 through 2024, four  
19 thousand dollars (\$4,000);

20 (2) for tax year 2025, ten thousand dollars  
21 (\$10,000); and

22 (3) for tax year 2026 and subsequent tax  
23 years, the amount provided in Paragraph (2) of this subsection,  
24 adjusted for inflation pursuant to Subsection C of this  
25 section.

1           C. For tax year 2026 and subsequent tax years, the  
 2 amount of exemption shall be adjusted to account for inflation.  
 3 The department shall make the adjustment by multiplying ten  
 4 thousand dollars (\$10,000) by a fraction, the numerator of  
 5 which is the consumer price index ending during the prior tax  
 6 year and the denominator of which is the consumer price index  
 7 ending in tax year 2025. The result of the multiplication  
 8 shall be rounded down to the nearest one hundred dollars  
 9 (\$100), except that if the result would be an amount less than  
 10 the corresponding amount for the preceding tax year, then no  
 11 adjustment shall be made.

12           D. The department shall publish annually the amount  
 13 determined by the calculation made pursuant to Subsection C of  
 14 this section and provide the calculated amount to each county  
 15 assessor no later than December 1 of the prior tax year.

16           ~~B.~~ E. The veteran exemption shall be applied only  
 17 if claimed and allowed in accordance with Section 7-38-17 NMSA  
 18 1978 and regulations of the department. ~~[For taxpayers who~~  
 19 ~~became eligible for a veteran exemption due to the approval of~~  
 20 ~~the amendment to Article 8, Section 5 of the constitution of~~  
 21 ~~New Mexico in November 2004, a county assessor shall, at the~~  
 22 ~~time of determining the net taxable value of the taxpayer's~~  
 23 ~~property for the 2005 property tax year, in addition to~~  
 24 ~~complying with the provisions of Section 7-38-17 NMSA 1978,~~  
 25 ~~determine the net taxable value of the taxpayer's property that~~

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1 ~~would result from the application of the veteran exemption for~~  
2 ~~the 2004 property tax year had the deadline for applying for~~  
3 ~~the veteran exemption in 2004 occurred after the amendment was~~  
4 ~~certified. The veteran exemption for 2004 shall not be~~  
5 ~~credited against the 2005 property value of a taxpayer until~~  
6 ~~the taxpayer has paid in full the taxpayer's property tax~~  
7 ~~liability for the 2004 property tax year.~~

8 ~~G.]~~ F. As used in this section, "veteran" means an  
9 individual who:

10 (1) has been honorably discharged from  
11 membership in the armed forces of the United States; and

12 (2) except as provided in this section, served  
13 in the armed forces of the United States on active duty  
14 continuously for ninety days.

15 ~~[D.]~~ G. For the purposes of Subsection ~~[E]~~ F of  
16 this section, a person who would otherwise be entitled to  
17 status as a veteran except for failure to have served in the  
18 armed forces continuously for ninety days is considered to have  
19 met that qualification if the person served for less than  
20 ninety days and the reason for not having served for ninety  
21 days was a discharge brought about by service-connected  
22 disablement.

23 ~~[E.]~~ H. For the purposes of Subsection ~~[E]~~ F of  
24 this section, a person has been "honorably discharged" unless  
25 the person received either a dishonorable discharge or a

1 discharge for misconduct.

2 ~~[F.]~~ I. For the purposes of this section, a person  
3 whose civilian service has been recognized as service in the  
4 armed forces of the United States under federal law and who has  
5 been issued a discharge certificate by a branch of the armed  
6 forces of the United States shall be considered to have served  
7 in the armed forces of the United States."

8 **SECTION 2.** Section 7-37-5.1 NMSA 1978 (being Laws 2000,  
9 Chapter 92, Section 1 and Laws 2000, Chapter 94, Section 1, as  
10 amended) is amended to read:

11 "7-37-5.1. DISABLED VETERAN EXEMPTION.--

12 A. As used in this section:

13 (1) "disabled veteran" means an individual  
14 who:

15 (a) has been honorably discharged from  
16 membership in the armed forces of the United States or has  
17 received a discharge certificate from a branch of the armed  
18 forces of the United States for civilian service recognized  
19 pursuant to federal law as service in the armed forces of the  
20 United States; and

21 (b) has been determined pursuant to  
22 federal law to have a [~~one hundred percent~~] permanent [~~and~~  
23 ~~total~~] service-connected disability; and

24 (2) "honorably discharged" means discharged  
25 from the armed forces pursuant to a discharge other than a

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1 dishonorable or bad conduct discharge.

2 B. The property of a disabled veteran, including  
3 joint or community property of the veteran and the veteran's  
4 spouse, is exempt from property taxation [~~if it~~] in an amount  
5 that shall be based on the percentage of the veteran's  
6 disability as determined by federal law; provided that the  
7 property is occupied by the disabled veteran as the veteran's  
8 principal place of residence. Property held in a grantor trust  
9 established under Sections 671 through 677 of the Internal  
10 Revenue Code of 1986, as those sections may be amended or  
11 renumbered, by a disabled veteran or the veteran's surviving  
12 spouse is also exempt from property taxation if the property  
13 otherwise meets the requirements for exemption in this  
14 subsection or Subsection C of this section.

15 C. The property of the surviving spouse of a  
16 disabled veteran is exempt from property taxation if:

17 (1) the surviving spouse and the disabled  
18 veteran were married at the time of the disabled veteran's  
19 death; and

20 (2) the surviving spouse continues to occupy  
21 the property continuously after the disabled veteran's death as  
22 the spouse's principal place of residence.

23 D. Upon the transfer of the principal place of  
24 residence of a disabled veteran or of a surviving spouse of a  
25 disabled veteran entitled to and granted a disabled veteran

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1 exemption, the disabled veteran or the surviving spouse may  
2 choose to:

3 (1) maintain the exemption for that residence  
4 for the remainder of the year, even if the residence is  
5 transferred during the year; or

6 (2) remove the exemption for that residence  
7 and apply it to the disabled veteran's or the disabled  
8 veteran's surviving spouse's new principal place of residence,  
9 regardless of whether the exemption was applied for and claimed  
10 within thirty days of the mailing of the county assessor's  
11 notice of valuation made pursuant to the provisions of Section  
12 7-38-20 NMSA 1978.

13 E. The exemption provided by this section may be  
14 referred to as the "disabled veteran exemption".

15 F. The disabled veteran exemption shall be applied  
16 only if claimed and allowed in accordance with Section 7-38-17  
17 NMSA 1978 and the rules of the department.

18 G. The veterans' services department shall assist  
19 the department and the county assessors in determining which  
20 veterans qualify for the disabled veteran exemption."

21 **SECTION 3. APPLICABILITY.**--The provisions of Section 2 of  
22 this act apply to the 2026 and subsequent property tax years.

23 **SECTION 4. EMERGENCY.**--It is necessary for the public  
24 peace, health and safety that this act take effect immediately.